

CHANGES TO MAY 18, 2006 NOTICED DRAFT

Proposed Addition: California Code of Regulations, Title 4, Division 18, Chapter 10. Discipline, Hearings, and Decisions

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12550. Purpose and Scope

(a) The purpose of this chapter is to set forth disciplinary procedures and guidelines applicable to the holder of any license, registration, permit, finding of suitability, or approval issued by the Commission. This chapter does not apply to any denial proceedings under the Gambling Control Act.

(b) The disciplinary guidelines in this chapter are designed to promote fairness and flexibility in dealing with a wide range of disciplinary scenarios. Variation in penalties based on circumstances and factors in aggravation or mitigation are part of this disciplinary scheme to promote compliance with applicable laws and regulations.

(c) Nothing in this chapter is intended to limit the authority of the Commission to issue orders of summary suspension pursuant to Business and Professions Code section 19913, or to limit the authority of the Division to issue emergency orders pursuant to Business and Professions Code section 19931.

(d) Nothing in this chapter shall be construed to prevent the Commission from:
(1) ~~ordering~~ Ordering an investigation by Commission staff on a matter brought before the Commission;

(2) Imposing any fine upon any person licensed or approved, pursuant to Business and Professions Code section 19824, subdivision (b);

(3) ~~instituting~~ Instituting a civil action in any superior court to restrain a violation of the Gambling Control Act, pursuant to Business and Professions Code section 19824, subdivision (g);

(4) Referring ~~referring~~ a matter to the Attorney General or any district attorney or city attorney for civil, criminal or administrative action; or

(5) Requesting ~~requesting~~ the Division of Gambling Control to conduct an investigation pursuant to information gathered independently by the Commission or supplied to it by a third party.

- (e) Nothing in this chapter precludes any person from notifying the Commission or the Division regarding any violations of law or reasons why the holder of any license, registration, permit, finding of suitability, or approval should be disciplined.
- (f) Nothing in this chapter precludes the Division, in its discretion, from issuing warning notices, notices to cure, advisory letters regarding violations or possible violations of law, or from withdrawing such upon further investigation.

Authority: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19853(a)(3), 19854, 19912, 19914, 19920, 19922, 19924, 19930, 19971, and 19984 of the Business and Professions Code.

Reference: Sections 19913, 19930, and 19931 of the Business and Professions Code.

12552. Settlements

- (a) At any time, the Commission and respondent may enter into a settlement of the accusation as provided in this section.
- (b) Any settlement of an accusation shall include a plan for immediate abatement of the violation, a plan for immediate compliance with all statutory and regulatory requirements, an agreement to any penalty imposed, and shall be a full and final settlement of the violation including a complete waiver of all judicial or other review unless otherwise agreed to by the Commission.
- (c) Any settlement of an accusation shall be submitted by the Division for approval by the Commission at a noticed Commission meeting. The Commission shall have final approval authority concerning any such settlement. If the Commission rejects a settlement or agreement, and no amended agreement or settlement is reached before two additional regularly noticed Commission meetings have concluded, or sixty days have elapsed, whichever is later, the Division shall proceed with the formal hearing process under this Chapter.

Authority: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19853(a)(3), 19854, 19912, 19920, 19930, 19942, and 19984 of the Business and Professions Code.

Reference: Sections 19824, 19826, 19827, 19840, and 19930 of the Business and Professions Code.

12554. Formal Hearing Process

- (a) Upon the filing with the Commission of an accusation by the Division recommending revocation, suspension, or other discipline of a holder of a license, registration, permit, finding of suitability, or approval, the Commission shall proceed under Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. Discipline shall be in accordance with the guidelines of this chapter, summarized for convenience only in CGCC-12554 (New 09-06), Summary Chart of Disciplinary Guidelines, attached as Appendix A to this chapter.

- 1 (b) In the event that the Division cannot present the accusation, the Commission
2 may request outside counsel or representation by another state agency or may
3 adequately segregate one or more Commission staff members from the
4 Commissioners and Commission legal unit to present the accusation.
- 5 (c) The Administrative Law Judge and Commission shall base their decisions on
6 written findings of fact, including findings concerning any relevant aggravating or
7 mitigating factors. Findings of fact shall be based upon a preponderance of the
8 evidence standard. The “preponderance of the evidence standard” is such
9 evidence as when considered and compared with that opposed to it, has more
10 convincing force, and produces a belief in the mind of the fact-finder that what is
11 sought to be proved is more likely true than not true.
- 12 (d) Upon a finding of a violation of the Gambling Control Act, any regulations
13 adopted pursuant thereto, any law related to gambling or gambling
14 establishments, violation of a previously imposed disciplinary or license
15 condition, or laws whose violation is materially related to suitability for a license,
16 registration, permit, or approval, the Commission may do any one or more of the
17 following:
- 18 (1) Revoke the license, registration, permit, finding of suitability, or
19 approval;
- 20 (2) Suspend the license, registration, or permit;
- 21 (3) Order the licensing authority of a city, county, or city and county to
22 revoke a work permit, pursuant to Business and Professions Code
23 section 19914, subdivision (a),
- 24 (4) Impose any condition, limitation, order, or directive (including but not
25 limited to a directive to divest an interest in a business entity pursuant
26 to Business and Professions Code, section 19879);
- 27 (5) Impose any fine or monetary penalty consistent with Business and
28 Professions Code sections 19930, subdivision (c), and 19943,
29 subdivision (b);
- 30 (6) Stay, in whole or in part, the imposition of a revocation or suspension
31 against the holder of a license, registration, work permit, finding of
32 suitability, or approval, or
- 33 (7) Order the holder to pay a monetary penalty in lieu of all or a portion of a
34 suspension. Within the guidelines of Business and Professions Code
35 sections 19930, subdivision (c), and 19943, subdivision (b):
- 36 (A) If the respondent is an owner licensee of a gambling
37 establishment, the monetary penalty shall be equivalent of fifty

percent of the average daily gross gaming revenue, but not less than \$~~500~~300, for the number of days for which the suspension is stayed.

(B) If the respondent is an owner licensee of a gambling establishment other than a sole proprietor, and has committed a separate violation from any violations committed by the gambling establishment, the monetary penalty shall be \$500 plus the total of \$1000 multiplied by the number of tables in the gambling establishment, and then divided by the respondent's percentage ownership interest, which sum shall be multiplied by the number of days for which the suspension is stayed.

~~(B)~~~~(C)~~ **OPTION 1:** If the respondent is an owner of a third-party provider of proposition player services and the violation did not involve a fraudulent, expired, borrowed, or stolen badge, and did not involve a non-registered or non-licensed employee of the owner, the monetary penalty shall be the sum of \$500 plus the total of \$100 multiplied by the maximum number of tables for which proposition player services have been contracted at the gambling establishment where the violation was charged, which sum shall be multiplied by the number of days for which the suspension is stayed.

~~(C)~~~~(D)~~ **OPTION 2:** If the respondent is an owner of a third-party provider of proposition player services and the violation involved a fraudulent, expired, borrowed, or stolen badge, or involved a non-registered or non-licensed employee of the owner, the monetary penalty shall be the sum of \$500 plus the total of \$300 multiplied by the maximum number of tables for which proposition player services have been contracted at the gambling establishment where the violation was charged, which sum shall be multiplied by the number of days for which the suspension is stayed.

~~(D)~~~~(E)~~ If the respondent is an owner of a gambling business, the monetary penalty shall be \$1500 per day for the number of days for which the suspension is stayed.

~~(E)~~~~(F)~~ If the respondent is a key employee of a gambling establishment or a supervisor of a gambling business or third-party provider of proposition player services, the monetary penalty shall be \$100 per day for the number of days for which the suspension is stayed.

~~(F)~~~~(G)~~ If the respondent is a holder of a work permit, a player or other employee of a gambling business or third-party provider of proposition player services, or a person not otherwise described above, the monetary penalty shall be \$50 per day for the number of days for which the suspension is stayed.

- (e) If a person's state gambling license for a gambling establishment is revoked by the Commission pursuant to this chapter, the Commission may stay such revocation for a reasonable period of time to allow such person to sell or divest himself or herself of such person's ownership interest in the gambling establishment, provided that after the date on which the revocation is stayed by the Commission, such person shall not be entitled to, realize, or receive any profits, distributions, or payments that might directly or indirectly be due to such person or which arise out of, are attributable to, or are derived from controlled gambling. The Commission may appoint a receiver to oversee the operation of the gambling establishment during the period of stayed revocation.
- (f) If an owner of a third-party provider of proposition player services or gambling business has his or her owner's license or registration revoked by the Commission pursuant to this chapter, the Commission may stay such revocation for a reasonable period of time to allow such person to sell or divest himself or herself of such person's ownership interest in the third-party provider of proposition player services or gambling business, provided that after the date on which the revocation is stayed by the Commission, such person shall not be entitled to, realize, or receive any profits, distributions, or payments that might directly or indirectly be due to such person or which arise out of, are attributable to, or are derived from the provision of proposition player services. The Commission may appoint a receiver to oversee the operation of proposition player services during the period of stayed revocation.
- (g) For decisions concerning a gambling establishment, findings shall be made regarding the number of tables in operation at the establishment and the annual gross gaming revenue of the establishment.
- (h) For decisions concerning an owner of a third-party provider of proposition player services, findings shall be made regarding the maximum number of tables for which proposition player services have been contracted at the gambling establishment where the violation was charged.
- (i) Any order to pay the costs of investigation or prosecution of the case shall be fixed pursuant to Business and Professions Code section 19930, subdivision (d).
- (j) For multiple violations, or for suspensions imposed by other jurisdictions based on the same violations, the decision shall state whether any Commission-imposed suspensions shall run consecutively or concurrently.
- (k) Where a violation arises from a practice that is repeated many times an hour or day in the conduct of controlled games, each instance of the practice shall not be charged as a separate violation; however, the frequency and duration of the practice shall be treated as aggravating or mitigating factors.**

Authority: Sections 19811, 19823, 19824, 19840, 19850, 19853(a)(3), 19854, 19912, 19914, 19920, 19922, 19924, 19930, 19932, 19971, and 19984 of the Business and Professions Code.

Reference: Sections 19857, 19858, 19859, 19862, 19870, and 19878 of the Business and Professions Code, Section 11045 of the Government Code, and Section 10335 of the Public Contract Code.

12556. Factors in Mitigation or Aggravation of Penalty

Factors in mitigation may reduce a minimum penalty of suspension listed in this chapter, either in number of days suspended and/or in the proposal to stay a suspension for a period of probation and the payment of any monetary penalty. Factors in aggravation may increase a penalty or be taken into consideration in determining whether or not to allow a suspension to be stayed upon payment of a monetary penalty. If presented by complainant or respondent, the Commission shall consider the following factors in mitigation or aggravation of the penalty imposed:

- (a) Violation of any previously imposed or agreed upon condition, restriction or directive.
- (b) Whether or not the conduct was knowing, willful, reckless, or inadvertent.
- (c) The extent to which respondent cooperated with the Division or Commission during the investigation of the violation.
- (d) The extent to which respondent was honest with the Division or Commission during the investigation of the violation.
- (e) The extent to which respondent is willing to reimburse or otherwise make whole any person who has suffered a loss due to the violation.
- (f) Whether respondent has initiated remedial measures to prevent similar violations.
- (g) The extent to which respondent realized an economic gain from the violation.
- (h) Disciplinary history of respondent, repeated offenses of the same or similar nature, or evidence that the unlawful act was part of a pattern or practice, **including the frequency or duration of any pattern or practice which violates applicable law.**
- (i) Any other aggravating factors, including any factors which the Commission determines to bear on the health, safety, or welfare of the public.
- (j) The extent to which there was actual or potential harm to the public or to any patron.
- (k) The extent to which an owner licensee or key employee of a gambling establishment, owner or supervisor of a third-party provider of proposition

1 player services, or owner or supervisor of a gambling business exercised due
2 diligence in management or supervision.

3 (l) If the violation was caused by an employee of a third-party provider of
4 proposition player services or gambling business, the extent to which the
5 owner licensee, licensee, or registrant knew or should have known of the
6 employee's improper conduct; the level of authority of the employee involved
7 and the extent to which the employee acted within the scope of his or her
8 authority in committing the violation.

9 (m) If the violation was caused by a third-party provider of proposition
10 player services or gambling business, the extent to which the owner licensee
11 or gambling establishment knew or should have known of the improper
12 conduct.

13 (n) If the violation was caused by an independent contractor of a gambling
14 business, the extent to which the gambling business owner licensee, licensee,
15 or registrant knew or should have known of the independent contractor's
16 improper conduct; the level of authority of the independent contractor involved
17 and the extent to which the independent contractor acted within the scope of
18 his or her authority in committing the violation.

19 (o) If the violation was caused or committed by a third party, the extent to which
20 the owner licensee, licensee, or registrant knew or should have known of the
21 third party's improper conduct.

22 (p) Any relevant evidence offered by respondent in mitigation of the violation.
23

24 Authority: Sections 19811, 19823, 19824, 19840, 19850, 19853(a)(3), 19854, 19912, 19914, 19920,
25 19922, 19924, 19930, 19932, 19971, and 19984 of the Business and Professions Code.

26 Reference: Sections 19857, 19858, 19859, 19862, 19870, and 19878 of the Business and Professions
27 Code.

28 29 **12558. Disciplinary Guidelines for Holders of Work Permits**

30 Pursuant to Business and Professions Code, section 19914, the holder of a work
31 permit shall be subject to a minimum penalty of a three-day suspension, which may
32 be stayed on terms and conditions and any monetary penalty as described in
33 section 12554(d)(7) of this chapter, up to a maximum penalty of revocation by the
34 Commission if the Commission finds that the holder:

35 (a) Engaged in or committed a prohibited act specified in Business and
36 Professions Code 19914, subdivision (a).

37 (b) Does not currently meet any criterion for eligibility or qualification.

(c) Violated or is in violation of any condition, limitation or directive previously imposed on the work permit.

(d) Violated or is in violation of any Commission or Division regulations, including those regulations regarding work permits in the California Code of Regulations, title 4, division 18, chapter 2 (commencing with section 12100).

Authority: Sections 19811, 19823, 19824, 19911, 19912, 19914, 19920, 19930, 19932, and 19971 of the Business and Professions Code.

Reference: Section 19878 of the Business and Professions Code.

12560. Disciplinary Guidelines for Third-party providers of proposition player services licensees or registrants

(a) If the Commission finds that an owner of a third-party provider of proposition player services, as that term is used in California Code of Regulations, title 4, section 12200, is out of compliance with any mandatory duty specified in or imposed by the Gambling Control Act or any Commission or Division regulation, which is not otherwise listed in these disciplinary guidelines, the penalty shall be one day of suspension of proposition player services from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply and which may be stayed on terms and conditions and any monetary penalty as described in section 12554(d)(7) of this chapter. ~~which may be stayed by the Commission upon the payment of a monetary penalty as follows:~~

~~(1) If the third party provider of proposition player services has 5 or less licensees or registrants, the penalty shall be between \$50 and \$100, based upon factors in mitigation and aggravation.~~

~~(2) If the third party provider of proposition player services has 6 to 12 licensees or registrants, the penalty shall be between \$100 and \$2000, based upon the factors in mitigation and aggravation.~~

~~(3) If the third party provider of proposition player services has 13 or more licensees or registrants, the penalty shall be between \$2000 and \$10000, based upon the factors in mitigation and aggravation.~~

(b) A license or registration granted by the Commission for an owner of a third-party provider of proposition player services, as that term is used in California Code of Regulations, title 4, section 12200, shall be subject to a minimum discipline of suspension of ~~seven~~ five days from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply, and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in section 12554 (d)(7) of this chapter, if the Commission finds that:

- (1) The owner has violated or is out of compliance with any conditions, limitations, orders, or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,
- (2) The owner has been found, by any administrative tribunal or court, to have violated or be in violation of any law involving or relating to gambling,
- (3) The owner has intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,
- (4) The owner has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling or the provision of proposition player services,
- (5) The owner has violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982,
- (6) The owner has violated California Code of Regulations, title 4, regarding annual fees for third party providers of proposition player services,
- (7) The owner has provided proposition player services in violation of California Code of Regulations, title 4, section 12200.7, subdivision (b)(9) or (b)(11),
- (8) The owner has failed to fully disclose financial arrangements in violation of California Code of Regulations, title 4, section 12200.7, subdivision (b)(15),
- (9) The primary owner has failed to report cheating, in violation of California Code of Regulations, title 4, section 12200.7, subdivision (b)(18),
- (10) The owner has purchased, leased, or controlled equipment in violation of California Code of Regulations, title 4, section 12200.7, subdivision (b)(21),
- (11) The owner has failed to have the proposition player contract approved, in violation of California Code of Regulations, title 4, section 12200.7, subdivision (b)(22), or section 12200.9,
- (12) The owner has authorized or provided payment to or receipt by the gambling establishment, in violation of California Code of Regulations, title 4, section 12200.7, subdivision (c),

- 1 (13) The owner has been cheating, or has induced or instructed
2 another to cheat, pursuant to Penal Code, sections 337t, 337u, 337v,
3 337w, or 337y,
- 4 (14) The owner has committed extortion (as that term is defined in
5 Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with
6 section 518),
- 7 (15) The owner has committed loan-sharking (as that term is used in
8 Civil Code section 1916-3, subdivision (b)),
- 9 (16) The owner has conducted or negotiated illegal sales of controlled
10 substances (as that term is used in Chapter 1 (commencing with
11 Section 11000) of Division 10 of the Health and Safety Code) or
12 dangerous drugs (as that term is used in Business and Professions
13 Code, section 4022),
- 14 (17) The owner has committed bribery (as that term is used in Penal
15 Code section 67 or 67.5),
- 16 (18) The owner has committed money laundering (as that term is used
17 in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with
18 Section 186.9),
- 19 (19) The owner has granted rebates to patrons without full disclosure,
20 in violation of California Code of Regulations, title 4, section 12200.7,
21 subdivision (19),
- 22 (20) The owner has violated the provisions regarding playing books
23 listed in California Code of Regulations, title 4, section 12200.13,
- 24 (21) The owner has committed any of the acts listed in California
25 Code of Regulations, title 4, section 12200.18, subdivisions (a), (b), (d),
26 (e), (f), (i), (j), (l), (m), or (n), or
- 27 (22) The owner is providing services as a gambling business without
28 first obtaining a gambling business registration or license, in violation of
29 California Code of Regulations, title 4, section 12220 et seq.
- 30 (c) A supervisor, player, or other employee, as those terms are used in California
31 Code of Regulations, title 4, section 12200, shall be subject to a minimum
32 monetary penalty of \$100 and/or a suspension of three days and a maximum
33 penalty of revocation if the Commission finds that:
- 34 (1) The supervisor, player, or other employee has violated or is out of
35 compliance with conditions, limitations, or orders or directives imposed
36 by the Commission, either as part of an initial grant of license or
37 registration, renewal of such, or pursuant to disciplinary action,

- (2) The supervisor, player, or other employee has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling or the provision of proposition player services,
 - (3) The supervisor, player, or other employee has committed any act punishable as a crime, not otherwise listed in these disciplinary guidelines, which substantially relates to the duties and qualifications of the licensee or registrant, or which occurred in a gambling establishment or the associated adjacent property, or
 - (4) The supervisor, player, or other employee has engaged in any conduct on the premises of the gambling establishment or in connection with controlled gambling or the provision of proposition player services which is inimical to the health, welfare, or safety of the general public.
 - (5) The supervisor, player, or other employee has either failed to wear a badge, worn a badge which was covered, worn a false or altered badge or a badge issued for a different gambling establishment, worn another person's badge, or worn an expired badge,
 - (6) The supervisor, player, or other employee has engaged in fighting or has intentionally provoked a patron or employee at a gambling establishment,
 - (7) The supervisor, player, or other employee has maliciously or willfully destroyed or damaged the property of the gambling establishment, employee, or patron,
 - (8) The supervisor, player, or other employee has accepted tips, gratuities, complimentaries, or gifts from gambling establishment staff or patrons
 - (9) The supervisor, player, or other employee has committed any of the acts listed in California Code of Regulations, title 4, section 12220.18, subdivision (a), or
 - (10) The supervisor, player, or other employee has failed to comply with California Code of Regulations, title 4, section 12200.21.
- (d) A supervisor, player, or other employee, as those terms are used in California Code of Regulations, title 4, section 12200, shall be subject to a minimum monetary penalty of \$300 and/or a suspension of ~~7~~ five days and a maximum penalty of revocation if the Commission finds that:
- (1) The supervisor, player, or other employee has intentionally misrepresented a material fact on an application, request to convert, or supplemental application for licensure, registration, or approval,
 - (2) The supervisor, player, or other employee has been cheating, pursuant to Penal Code, section 337x,

- (3) The supervisor, player, or other employee has committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),
- (4) The supervisor, player, or other employee has committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),
- (5) The supervisor, player, or other employee has conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with Section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),
- (6) The supervisor, player, or other employee has committed bribery (as that term is used in Penal Code section 67 or 67.5),
- (7) The supervisor, player, or other employee has committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with Section 186.9),
- (8) The supervisor, player, or other employee has granted rebates to patrons without full disclosure, in violation of California Code of Regulations, title 4, section 12200.7, subdivision (19), or
- (9) The supervisor, player, or other employee has committed any of the acts listed in California Code of Regulations, title 4, section 12200.18 subdivisions (b), (c), (d), (f), (g), (h), (i), (j), or (k).
- (e) A license or registration granted by the Commission for an owner of a third-party provider of proposition player services, or for a supervisor, player, or other employee, as those terms are used in California Code of Regulations, title 4, section 12200, shall be subject to revocation if the Commission finds that:
- (1) The owner, supervisor, player, or other employee has been convicted of a felony or a crime of moral turpitude that would disqualify the holder from licensure, or
- (2) The owner, supervisor, player, or other employee no longer meets any criterion for eligibility, pursuant to California Code of Regulations, title 4, sections 12204 or 12200.11.
- Authority: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19854, 19859, 19875, 19912, 19913, 19914, 19920, 19922, 19924, 19930, 19931 19971, and 19984 of the Business and Professions Code.
- Reference: Sections 19844, 19852, 19857, 19858, 19859, 19862, 19863, 19870, 19875, 19878, 19880, 19913, 19914, 19920, 19922, 19923, 19924, 19930, 19931, 19941 and 19942 of the Business and Professions Code.

1 **12562. Disciplinary Guidelines for Gambling business licensees or registrants**

2 (a) If the Commission finds that an owner of a gambling business, as that term is
3 used in California Code of Regulations, title 4, section 12220, is out of
4 compliance with any mandatory duty specified in or imposed by the Gambling
5 Control Act or any Commission or Division regulation, which is not otherwise
6 listed in these disciplinary guidelines, the penalty shall be one day of suspension
7 of gambling business services from either specified gambling establishments or
8 all gambling establishments, as the circumstances and factors in mitigation or
9 aggravation apply and which may be stayed on terms and conditions and any
10 monetary penalty as described in section 12554(d)(7) of this chapter. ~~, which~~
11 ~~may be stayed by the Commission upon the payment of a monetary penalty as~~
12 ~~follows:~~

13 ~~(1) If the gambling business has 5 or less licensees or registrants, the~~
14 ~~penalty shall be between \$50 and \$100, based upon factors in~~
15 ~~mitigation and aggravation.~~

16 ~~(2) If the gambling business has 6 to 12 licensees or registrants, the~~
17 ~~penalty shall be between \$100 and \$2000, based upon the factors in~~
18 ~~mitigation and aggravation.~~

19 ~~(3) If the gambling business has 13 or more licensees or registrants, the~~
20 ~~penalty shall be between \$2000 and \$10000, based upon the factors~~
21 ~~in mitigation and aggravation.~~

22 (b) A license or registration granted by the Commission for an owner of a
23 gambling business, as that term is used in California Code of Regulations, title 4,
24 section 12220, shall be subject to a minimum monetary penalty of \$2500 and/or
25 a discipline of suspension of ~~seven~~ five days from either specified gambling
26 establishments or all gambling establishments, as the circumstances and factors
27 in mitigation or aggravation apply, and a maximum discipline of revocation by the
28 Commission if the Commission finds that:

29 (1) The owner has violated or is out of compliance with any conditions,
30 limitations, orders, or directives imposed by the Commission, either as
31 part of an initial grant of license or registration, renewal of such, or
32 pursuant to disciplinary action,

33 (2) The owner has been found, by any administrative tribunal or court, to
34 have violated or be in violation of any law involving or relating to
35 gambling,

36 (3) The owner has intentionally misrepresented a material fact on an
37 application or supplemental application for licensure or registration,

- 1 (4) The owner has engaged in any dishonest, fraudulent, or deceptive
2 activities in connection with controlled gambling or the provision of
3 proposition player services as a gambling business,
- 4 (5) The owner has violated any law or ordinance with respect to campaign
5 finance disclosure or contribution limitations, pursuant to Business and
6 Professions Code, section 19982,
- 7 (6) The owner has violated California Code of Regulations, title 4,
8 regarding annual fees for gambling businesses,
- 9 (7) The owner has been cheating, or has induced or instructed another to
10 cheat, pursuant to Penal Code, sections 337t, 337u, 337v, 337w, or
11 337y,
- 12 (8) The owner has committed extortion (as that term is defined in Chapter 7
13 of Title 13 of Part 1 of the Penal Code, commencing with section 518),
- 14 (9) The owner has committed loan-sharking (as that term is used in Civil
15 Code section 1916-3, subdivision (b)),
- 16 (10) The owner has conducted or negotiated illegal sales of controlled
17 substances (as that term is used in Chapter 1 (commencing with
18 Section 11000) of Division 10 of the Health and Safety Code) or
19 dangerous drugs (as that term is used in Business and Professions
20 Code, section 4022),
- 21 (11) The owner has committed bribery (as that term is used in Penal
22 Code section 67 or 67.5),
- 23 (12) The owner has committed money laundering (as that term is used
24 in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with
25 Section 186.9),
- 26 (13) The owner is providing services as a gambling business without
27 first obtaining a gambling business registration or license, in violation of
28 California Code of Regulations, title 4, section 12220 et seq., or
- 29 (14) The owner has committed any of the acts listed in California
30 Code of Regulations, title 4, section 12220.18, subdivisions (a), (b), (d),
31 (e), (f), (l), or (m).
- 32 (c) A supervisor, player, or other employee, as those terms are used in California
33 Code of Regulations, title 4, section 12220, shall be subject to a minimum
34 monetary penalty of \$100 and/or a suspension of three days and a maximum
35 penalty of revocation if the Commission finds that:
- 36 (1) The supervisor, player, or other employee has violated or is out of
37 compliance with conditions, limitations, or orders or directives imposed

- 1 by the Commission, either as part of an initial grant of license or
2 registration, renewal of such, or pursuant to disciplinary action,
- 3 (2) The supervisor, player, or other employee has engaged in any
4 dishonest, fraudulent, or deceptive activities in connection with
5 controlled gambling,
- 6 (3) The supervisor, player, or other employee has committed any act
7 punishable as a crime, not otherwise listed in these disciplinary
8 guidelines, which substantially relates to the duties and qualifications of
9 the licensee or registrant, or which occurred in a gambling
10 establishment or the associated adjacent property,
- 11 (4) The supervisor, player, or other employee has engaged in any conduct
12 on the premises of the gambling establishment or in connection with
13 controlled gambling which is inimical to the health, welfare, or safety of
14 the general public.
- 15 (5) The supervisor, player, or other employee has either failed to wear a
16 badge, worn a badge which was covered, worn a false or altered badge
17 or a badge issued for a different gambling establishment, worn another
18 person's badge, or worn an expired badge,
- 19 (6) The supervisor, player, or other employee has engaged in fighting or
20 has intentionally provoked a patron or employee at a gambling
21 establishment,
- 22 (7) The supervisor, player, or other employee has maliciously or willfully
23 destroyed or damaged the property of the gambling establishment,
24 employee, or patron,
- 25 (8) The supervisor, player, or other employee has accepted tips, gratuities,
26 complimentaries, or gifts from gambling establishment staff or patrons,
- 27 (9) The supervisor, player, or other employee has committed any of the
28 acts listed in California Code of Regulations, title 4, section 12220.18,
29 subdivision (a), or
- 30 (10) The supervisor, player, or other employee has failed to comply
31 with California Code of Regulations, title 4, section 12220.21.
- 32 (d) A supervisor, player, or other employee, as those terms are used in California
33 Code of Regulations, title 4, section 12220, shall be subject to a minimum
34 penalty of a monetary penalty of \$300 and/or a suspension of ~~7~~five days and a
35 maximum penalty of revocation if the Commission finds that:
- 36 (1) The supervisor, player, or other employee has intentionally
37 misrepresented a material fact on an application, request to convert, or
38 supplemental application for licensure, registration, or approval,

- 1 (2) The supervisor, player, or other employee has been cheating, pursuant
2 to Penal Code, section 337x,
- 3 (3) The supervisor, player, or other employee has committed extortion (as
4 that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code,
5 commencing with section 518),
- 6 (4) The supervisor, player, or other employee has committed loan-sharking
7 (as that term is used in Civil Code section 1916-3, subdivision (b)),
- 8 (5) The supervisor, player, or other employee has conducted or negotiated
9 illegal sales of controlled substances (as that term is used in Chapter 1
10 (commencing with Section 11000) of Division 10 of the Health and
11 Safety Code) or dangerous drugs (as that term is used in Business and
12 Professions Code, section 4022),
- 13 (6) The supervisor, player, or other employee has committed bribery (as
14 that term is used in Penal Code section 67 or 67.5),
- 15 (7) The supervisor, player, or other employee has committed money
16 laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the
17 Penal Code, commencing with Section 186.9),
- 18 (8) The supervisor, player, or other employee has committed any of the
19 acts listed in California Code of Regulations, title 4, section 12220.18
20 subdivisions (c), (d), (f), (g), (h), (i), (j), or (k).
- 21 (e) A license or registration granted by the Commission for an owner of a
22 gambling business, or for a supervisor, player, or other employee, as those terms
23 are used in California Code of Regulations, title 4, section 12220, shall be subject
24 to revocation if the Commission finds that:
- 25 (1) The owner, supervisor, player, or other employee has been convicted of a
26 felony or a crime of moral turpitude that would disqualify the holder from
27 licensure, or
- 28 (2) The owner, supervisor, player, or other employee no longer meets any
29 criterion for eligibility, pursuant to California Code of Regulations, title 4,
30 sections 12224 or 12220.11.
- 31
- 32 Authority: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19853(a)(3), 19854, 19859, 19875,
33 19912, 19913, 19914, 19920, 19922, 19924, 19930, 19931, and 19971 of the Business and
34 Professions Code.
- 35 Reference: Sections 19844, 19852, 19857, 19858, 19859, 19862, 19863, 19870, 19875, 19878, 19880,
36 19913, 19914, 19920, 19922, 19923, 19924, 19930, 19931, 19941 and 19942 of the
37 Business and Professions Code.
- 38

12564. Disciplinary Guidelines for Manufacturers or Distributors

A registration granted by the Commission for a manufacturer or distributor of gambling equipment shall be subject to suspension or revocation by the Commission if the Commission finds that the registrant has violated California Code of Regulations, title 4, section 12303, subdivision (b).

Authority: Sections 19801(g), 19811, 19823, 19824, 19827(a)(1), 19840, 19841(r), 19850, 19854, 19859, 19875, 19912, 19913, 19914, 19920, 19922, 19924, 19930, 19931, and 19971 of the Business and Professions Code.

Reference: Sections 19844, 19852, 19857, 19858, 19859, 19862, 19863, 19870, 19875, 19878, 19880, 19913, 19914, 19920, 19922, 19923, 19924, 19930, 19931, 19941 and 19942 of the Business and Professions Code.

12566. Disciplinary Guidelines for Gambling Establishments

(a) If the Commission finds that a gambling establishment is out of compliance with any mandatory duty specified in or imposed by the Gambling Control Act or any Commission or Division regulation, or any local ordinance which directly affects the public health, safety, or welfare, which is not otherwise listed in these disciplinary guidelines, pursuant to Business and Professions Code section 19922, the penalty shall be one day of suspension, stayed upon the payment of a penalty, within the guidelines of Business and Professions Code, sections 19930, subdivision (c), and 19943, subdivision (b), as follows:

(1) If the establishment has five tables or less and has an annual gross gaming revenue up to and including \$10,000, the penalty shall be between \$50 and \$100, based upon the factors in mitigation and aggravation.

(2) If the establishment has ten tables or less or has an annual gross gaming revenue over \$10,000, up to and including \$200,000, the penalty shall be between \$100 and \$2000, based upon the factors in mitigation and aggravation.

(3) If the establishment has ~~more than ten tables or has~~ an annual gross gaming revenue over \$200,000, the penalty shall be between ~~\$2000~~250 and ~~\$10,000~~5,000, based upon the factors in mitigation and aggravation.

(4) If the establishment has an annual gross gaming revenue over \$1,000,000, the penalty shall be between \$500 and \$10,000, based upon the factors in mitigation and aggravation.

(5) If the establishment has an annual gross gaming revenue over \$15,000,000, the penalty shall be between \$2,000 and \$20,000, based upon the factors in mitigation and aggravation.

(b) A state gambling license for a gambling establishment granted by the Commission shall be subject to a minimum discipline of suspension for

1 one day of normal business operation and a maximum discipline of
2 suspension for 30 days of normal business operation, which may be stayed
3 on terms and conditions and upon a monetary penalty of twenty-five
4 percent of the average daily gross gaming revenue, not more than \$10,000,
5 but not less than \$300, if the Commission finds that the establishment has
6 violated any of the following but has not been disciplined by the
7 Commission for such a violation previously:

- 8 (1) Been found, by any administrative tribunal or court in a separate
9 proceeding, to have violated or be in violation of any law involving or
10 relating to gambling, where the penalty imposed was a monetary fine
11 or citation,
- 12 (2) Failed to maintain adequate financing for chips in use or for player
13 banks,
- 14 (3) Failed to report the operation of unregistered gambling businesses
15 when the owners or management of the establishment knew or
16 should have known that these gambling businesses were operating
17 in the establishment,
- 18 (4) Did not disclose ownership, interest, or key employee status,
19 pursuant to Business and Professions Code, sections 19850, 19851,
20 19853, 19854, 19855, 19883, or 19901,
- 21 (5) Violated Business and Professions Code, section 19878 (contract
22 with, employment of, services provided by person(s) with denied,
23 suspended, or revoked license or registration),
- 24 (6) Violated Business and Professions Code, section 19912 (failure to
25 have valid work permit),
- 26 (7) Violated Business and Professions Code, section 19921 (failure to
27 exclude persons under 21 from access to gambling areas),
- 28 (8) Violated Business and Professions Code, section 19924 (failure to
29 maintain security controls),
- 30 (9) Violated any law or ordinance with respect to campaign finance
31 disclosure or contribution limitations, pursuant to Business and
32 Professions Code, section 19982,
- 33 (10) Provided false or incomplete financial data, in violation of
34 California Code of Regulations, title 4, chapter 7, article 4
35 (commencing with section 12400), regarding accounting and financial
36 reporting,
- 37 (11) Refused to allow Division or Commission inspection of records or
38 information required to be maintained pursuant to California Code of

Regulations, title 4, chapter 7, article 4 (commencing with section 12400), regarding accounting and financial reporting,

(12) Violated California Code of Regulations, title 11, section 2050, subsection (a) (failure to maintain owner licensee or key employee on premises),

(13) Violated California Code of Regulations, title 11, section 2052 (failure to furnish information), or

(14) Violated California Code of Regulations, title 11, section 2070 (unsuitable gaming activities).

~~(b)~~(c) A state gambling license for a gambling establishment granted by the Commission shall be subject to a minimum discipline of suspension for ~~seven~~ five days of normal business operation and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in section 12554(d)(7) of this chapter, if the Commission finds that the establishment has:

- (1) Violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,
- (2) Been found, by any administrative tribunal or *court in a separate proceeding*, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was the suspension or revocation of a license or privilege,
- (3) Intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,
- (4) Failed to maintain adequate financing for chips in use or for player banks, and has been disciplined by the Commission for such a violation previously,
- (5) Failed to report the operation of unregistered gambling businesses when the owners or management of the establishment knew or should have known that these gambling businesses were operating in the establishment, and has been disciplined by the Commission for such a violation previously,
- (6) Concealed or persistently did not disclose ownership, interest, or key employee status, pursuant to Business and Professions Code, sections 19850, 19851, 19853, 19854, 19855, 19883, or 19901,
- (7) Violated Business and Professions Code, section 19878 (contract with, employment of, services provided by person(s) with denied, suspended, or

revoked license or registration), and has been disciplined by the Commission for such a violation previously,

(8) Violated Business and Professions Code, section 19912 (failure to have valid work permit), and has been disciplined by the Commission for such a violation previously,

(9) Violated Business and Professions Code, section 19921 (failure to exclude persons under 21 from access to gambling areas), and has been disciplined by the Commission for such a violation previously, or violated Business and Professions Code, section 19941 (failure to prohibit persons under 21 from gambling, loitering, being employed in gambling areas, or using fraudulent identification to gamble, loiter, or be employed), unless the licensee provides the defense described in Business and Professions Code, section 19941, subdivision (c), or unless the licensee shows that the licensee has reasonably relied on picture identification which appears to be government issued, including determining that the identification looks real, there are no obvious alterations, the photograph and description reasonably match the person, and the person reasonably looks age 21 or over.

(10) Violated Business and Professions Code, section 19924 (failure to maintain security controls), and has been disciplined by the Commission for such a violation previously,

~~(11) Violated Business and Professions Code, section 19941 (failure to prohibit persons under 21 from gambling, loitering, being employed in gambling areas, or using fraudulent identification to gamble, loiter, or be employed),~~

~~(12)~~(11) Violated Business and Professions Code, section 19942 (willful failure to report or pay license fee),

~~(13)~~(12) Violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982, and has been disciplined by the Commission for such a violation previously,

~~(14)~~(13) Provided false or intentionally incomplete financial data, in violation of California Code of Regulations, title 4, chapter 7, article 4 (commencing with section 12400), regarding accounting and financial reporting, and has been disciplined by the Commission for such a violation previously,

~~(15)~~(14) Refused to allow Division or Commission inspection of records or information required to be maintained pursuant to California Code of Regulations, title 4, chapter 7, article 4 (commencing with section 12400),

regarding accounting and financial reporting, and has been disciplined by the Commission for such a violation previously,

~~(16)~~(15) Violated California Code of Regulations, title 11, section 2050, subsection (a) (failure to maintain owner licensee or key employee on premises), and has been disciplined by the Commission for such a violation previously,

~~(17)~~(16) Violated California Code of Regulations, title 11, section 2052 (failure to furnish information ~~regarding employees~~), and has been disciplined by the Commission for such a violation previously, or

~~(18)~~(17) Violated California Code of Regulations, title 11, section 2070 (unsuitable gaming activities), and has been disciplined by the Commission for such a violation previously.

Authority: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19853(a)(3), 19854, 19859, 19875, 19912, 19913, 19914, 19920, 19922, 19924, 19930, 19931 19971, and 19984 of the Business and Professions Code.

Reference: Sections 19844, 19852, 19857, 19858, 19859, 19862, 19863, 19870, 19875, 19878, 19880, 19913, 19914, 19920, 19922, 19923, 19924, 19930, 19931, 19941 and 19942 of the Business and Professions Code. Department of Alcoholic Beverage Control v. Alcoholic Beverage Control Appeals Board (2004), 118 Cal. App. 4th 1429, 1444-1445.

12568. Disciplinary Guidelines for Holders of Licenses, Findings of Suitability, or Approvals

(a) A license for an individual or any finding of suitability or approval granted by the Commission, other than a work permit, and an owner license for a gambling establishment if the owner licensee has committed a separate violation from any violations committed by the gambling establishment shall be subject to a minimum discipline of suspension for ~~three days~~one day of normal business operation and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in section 12554(d)(7) of this chapter, if the Commission finds that the holder has:

(1) Violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was a monetary fine or citation,

1 **(3) Been convicted in any jurisdiction of any offense involving or relating**
2 **to gambling, where the penalty imposed was a monetary fine,**

3 ~~(2)~~(4) Engaged in any dishonest, fraudulent, or deceptive activities in
4 connection with controlled gambling,

5 ~~(3)~~(5) Committed any act punishable as a crime, not otherwise listed in these
6 disciplinary guidelines, which substantially relates to the duties and
7 qualifications of the licensee or registrant, or which occurred in a gambling
8 establishment or the associated adjacent property, or

9 ~~(4)~~(6) Engaged in any conduct on the premises of the gambling establishment
10 or in connection with controlled gambling which is inimical to the health,
11 welfare, or safety of the general public.

12 (b) A license, finding of suitability, or approval granted by the Commission, **other**
13 **than a work permit, and an owner license for a gambling establishment if**
14 **the owner licensee has committed a separate violation from any violations**
15 **committed by the gambling establishment** shall be subject to a minimum
16 discipline of suspension for ~~seven~~**five** days of normal scheduled work and a
17 maximum discipline of revocation, which may be stayed on terms and conditions
18 and any monetary penalty as described in section 12554(d)(7) of this chapter, if
19 the Commission finds that the holder has:

20 (1) Intentionally misrepresented a material fact on an application or
21 supplemental application for licensure or registration,

22 (2) Intentionally provided untruthful responses during an investigation by the
23 Division, pursuant to Business and Professions Code, section 19827,

24 (3) Willfully interfered with the performance of Commission or Division duties,
25 pursuant to Business and Professions Code, section 19944,

26 (4) Committed an act prohibited by Chapter 9 (commencing with section 319)
27 and Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the
28 Penal Code, including but not limited to operation of a banked or
29 percentage game (Penal Code, section 330), possession or sale of a slot
30 machine (Penal Code, section 330b) or agreement for slot machine payout
31 (Penal Code, section 330.1), bookmaking (Penal Code, section 337), and
32 cheating (Penal Code, section 337x),

33 (5) Committed extortion (as that term is defined in Chapter 7 of Title 13 of Part
34 1 of the Penal Code, commencing with section 518),

35 (6) Committed loan-sharking (as that term is used in Civil Code section 1916-
36 3, subdivision (b)),

37 (7) Conducted or negotiated illegal sales of controlled substances (as that
38 term is used in Chapter 1 (commencing with Section 11000) of Division 10

- 1 of the Health and Safety Code) or dangerous drugs (as that term is used in
2 Business and Professions Code, section 4022),
- 3 (8) As an owner licensee, not taken reasonable steps to prevent the crimes
4 listed in subsections (b)(5) through (b)(8) from occurring at the gambling
5 establishment, when the owner licensee knew or should have known that
6 these crimes were being committed,
- 7 (9) Committed bribery (as that term is used in Penal Code section 67 or 67.5),
- 8 (10) Committed money laundering (as that term is used in Chapter 10 of
9 Title 7 of Part 1 of the Penal Code, commencing with Section 186.9),
- 10 (11) Been convicted of a crime involving fiscal dishonesty, including but not
11 limited to tax evasion (26 U.S.C. § 7201),
- 12 (12) Been convicted in any jurisdiction of any offense involving or relating to
13 gambling, where the penalty imposed was more than a monetary fine,
14 or
- 15 ~~(13) Been found to have violated or be in violation of any law involving~~
16 ~~or relating to gambling in a final administrative decision in any~~
17 ~~jurisdiction.~~ Been found, by any administrative tribunal or court in a
18 separate proceeding, to have violated or be in violation of any law
19 involving or relating to gambling, where the penalty imposed was the
20 suspension or revocation of a license or privilege,
- 21 (c) A state gambling license, finding of suitability, or approval granted by the
22 Commission, other than a work permit, and an owner license for a gambling
23 establishment if the owner licensee has committed a separate violation
24 from any violations committed by the gambling establishment shall be
25 subject to revocation by the Commission on any of the following grounds:
- 26 (1) If the Commission finds the holder to have been convicted of a felony or a
27 crime of moral turpitude that would disqualify the holder from licensure,
- 28 (2) If the Commission finds the holder to have engaged in or committed a
29 prohibited act specified in Business and Professions Code section 19863
30 (no more than one gambling establishment at racetrack),
- 31 (3) If the Commission finds the holder no longer meets any criterion for
32 eligibility, qualification, suitability or continued operation, including those
33 set forth in Business and Professions code sections 19857, 19858, or
34 19880, as applicable, or
- 35 (4) If the Commission finds the holder currently meets any of the criteria for
36 mandatory denial of an application set forth in Business and Professions
37 Code sections 19859 or 19860.

Authority: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19853(a)(3), 19854, 19859, 19875, 19912, 19913, 19914, 19920, 19922, 19924, 19930, 19931 19971, and 19984 of the Business and Professions Code.

Reference: Sections 19844, 19852, 19857, 19858, 19859, 19862, 19863, 19870, 19875, 19878, 19880, 19913, 19914, 19920, 19922, 19923, 19924, 19930, 19931, 19941 and 19942 of the Business and Professions Code.

12572. Precedential Decisions.

Pursuant to Government Code section 11425.60, the Commission, at a noticed Commission meeting, may:

(a) Designate all or part of any of the following as a precedential decision:

(1) An adopted final decision, or

(2) An adopted stipulated decision pursuant to a settlement agreement.

(b) Reverse in whole or in part the prior designation of a decision as a precedential decision.

Authority: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19854, 19912, 19914, 19920, 19922, 19924, 19930, and 19971 of the Business and Professions Code.

Reference: Sections 19857, 19858, 19859, 19862, 19870, 19878, 19912, 19913, 19914, 19930, and 19931 of the Business and Professions Code. Section 11425.60 of the Government Code.

Appendix A



Summary Chart of Disciplinary Guidelines

This is a summary – please refer to the regulatory text for a fuller explanation. In case of any conflicts, the regulatory text will prevail.

Minimum and Maximum penalties may be affected by factors in mitigation or aggravation, pursuant to regulation 12556.

If not otherwise listed, penalties may be stayed on the imposition of terms, conditions, or fines at the Commission's discretion, pursuant to regulation 12554, subsection (d).

TYPE OF OFFENSE	TYPE OF LICENSE	MINIMUM PENALTY	MAXIMUM PENALTY	REGULATION REFERENCE (4 CCR)
Adequate Financing				
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(2), stay 12566(b); 12566(c)4)
Badge Violations				
	TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(5)
	Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(5)
Bribery				
	TPPPPS - Owner	5 days	Revocation	12560(b)(17)
	TPPPPS - Employee	\$300 and/or 5 days	Revocation	12560(d)(6)
	Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(11)
	Gambling Business - Employee	\$300 and/or 5 days	Revocation	12562(d)(6)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(9)
Campaign Finance violation				
	TPPPPS – Owner	5 days	Revocation	12560(b)(5)
	Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(5)

	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(9), stay 12566(b); 12566(c)(12)
Cheating				
	TPPPPS – Owner	5 days	Revocation	12560(b)(9), (13)
	TPPPPS - Employee	\$300 and/or 5 days	Revocation	12560(d)(2)
	Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(7)
	Gambling Business - Employee	\$300 and/or 5 days	Revocation	12562(d)(2)
Conviction – law related to gambling				
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day or 5 days	Revocation	12568(a)(2), (3); 12568(b)(12),(13)
Conviction - Moral Turpitude Crimes			Revocation	
	TPPPPS – Owner or Employee	Revocation	Revocation	12560(e)(1)
	Gambling Business - Owner	Revocation	Revocation	12562(e)(1)
	Gambling Business - Employee	Revocation	Revocation	12562(e)(1)
Dishonest controlled gaming activities				
	TPPPPS - Owner	7 days	Revocation	12560(b)(4)
	TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(2)
	Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(4)
	Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(2)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day	Revocation	
Extortion				
	TPPPPS - Owner	5 days	Revocation	12560(b)(14)
	TPPPPS - Employee	\$300 and/or 5 days	Revocation	12560(d)(3)

	Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(8)
	Gambling Business - Employee	\$300 and/or 5 days	Revocation	12562(d)(3)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(5)
Failure to Pay Fees				
	TPPPPS – Owner (Annual Fees)	5 days	Revocation	12560(b)(6)
	Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(6)
	Gambling Establishment	5 days	Revocation	12566(c)(11)
Fighting				
	TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(6)
	Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(6)
Loan-sharking				
	TPPPPS - Owner	5 days	Revocation	12560(b)(15)
	TPPPPS - Employee	\$300 and/or 5 days	Revocation	12560(d)(4)
	Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(9)
	Gambling Business - Employee	\$300 and/or 5 days	Revocation	12562(d)(4)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(6)
Misrepresenting material fact on application				
	TPPPPS - Owner	7 days	Revocation	12560(b)(3)
	TPPPPS - Employee	\$300 and/or 5 days	Revocation	12560(d)(1)
	Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(3)
	Gambling Business - Employee	\$300 and/or 5 days	Revocation	12562(d)(1)
	Gambling Establishment	5 days	Revocation	12566(c)(3)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(1)

Money Laundering				
	TPPPPS - Owner	5 days	Revocation	12560(b)(18)
	TPPPPS - Employee	\$300 and/or 5 days	Revocation	12560(d)(7)
	Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(12)
	Gambling Business - Employee	5 days	Revocation	
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(10)
Narcotics				
	TPPPPS - Owner	5 days	Revocation	12560(b)(16)
	TPPPPS - Employee	\$300 and/or 5 days	Revocation	12560(d)(5)
	Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(10)
	Gambling Business - Employee	\$300 and/or 5 days	Revocation	12562(d)(5)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(7)
Non-Qualification				
	Work Permittee	3 days	Revocation	12558(b)
	TPPPPS - Owner	Revocation	Revocation	12560(e)(1),(2)
	TPPPPS - Employee	Revocation	Revocation	12560(e)(1),(2)
	Gambling Business - Owner	Revocation	Revocation	12562(e)(1), (2)
	Gambling Business - Employee	Revocation	Revocation	12562(e)(1), (2)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(c)(1), (3), (4)
Property Damage				
	TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(7)
	Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(7)
Tips				
	TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(8)
	Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(8)
Unauthorized				

Practice				
	TPPPPS – Owner (12200)	5 Days	Revocation	12560(b)(22)
	Gambling Business– Owner (12220)	\$2500 and/or 5 days	Revocation	12562(b)(13)
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(3), stay 12566(b); 12566(c)(5)
Violation of Gambling Control Act				
	Work Permittee - 19914	3 days	Revocation	12558(a)
	Gambling Establishment – 19850, 19851, 19853, 19854, 19855, 19883, 19901 (ownership/key)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(4), stay 12566(b); 12566(c)(6)
	Gambling Establishment – 19878	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(5), stay 12566(b); 12566(c)(7)
	Gambling Establishment – 19912 (work permit)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(6), stay 12566(b); 12566(c)(8)
	Gambling Establishment – 19921 (failure to exclude)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(7), stay 12566(b); 12566(c)(9)
	Gambling Establishment – 19924 (security controls)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(8), stay 12566(b); 12566(c)(10)
	Gambling Establishment – 19941 (under 21)	5 days	Revocation	12566(c)(9)
	Gambling License, Finding of Suitability, Approval (not work permit) – 19817 (untruthful)	5 days	Revocation	12568(b)(2)
	Gambling License, Finding of Suitability, Approval (not work permit) – 19944 (interference)	5 days	Revocation	12568(b)(3)

	Gambling License, Finding of Suitability, Approval (not work permit) – 19863 (racetrack)	Revocation	Revocation	12568(c)(2)
Violation of Chapter 9 and 10 of Penal Code				
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(4)
Violation of any gambling law				
	TPPPPS - Owner	7 days	Revocation	12560(b)(2)
	Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(2)
	Gambling Business - Employee	7 days	Revocation	
	Gambling Establishment	1 day/stay @ 25% GGR	30 days/stay @ 25% GGR	12566(b)(1); stay 12566(b)
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(1), stay 12566(b); 12566(c)(2)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day; 5 days	Revocation	12568(a)(2), (3); 12568(b)(12), (13)
Violation of law - nexus				
	TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(3)
	Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(3)
	Gambling License, Finding of Suitability, Approval (not work permit) – crime of fiscal dishonesty	1 day; 5 days	Revocation	12568(b)(11)
Violation of Regulations				
	Work Permittee	3 days	Revocation	12558(d)
	TPPPPS – Owner (12200.7(b)(9), (11),	5 days	Revocation	12560(b)(7)-(12),

	(15), (18), (19), (21), (22), or (c), or 12200.9)			(19)
	TPPPPS – Owner (12200.13, or 12200.18 (a), (b), (d), (e), (f), (i), (j), (l), (m), or (n))	5 days	Revocation	12560(b)(20), (21)
	TPPPPS - Employee (12220.18 and 12200.21)	\$100 and/or 3 days	Revocation	12560(c)(8), (9)
	TPPPPS – Employee (12200.7, 12200.18(b), (c), (d), (f), (g), (h), (i), (j), or (k))	\$300 and/or 5 days	Revocation	12560(d)(8), (9)
	Gambling Business - Owner (12220.18 a, b, d, e, f, l, m)	\$2500 and/or 5 days	Revocation	12562(b)(14)
	Gambling Business - Employee (12220.18 and 12200.21)	\$100 and/or 3 days	Revocation	12562(c)(9), (10)
	Gambling Business - Employee (12220.18 c, d, f, k)	\$300 and/or 5 days	Revocation	12562(d)(8)
	Manufacturers or Distributors (12303(b))	Suspension	Revocation	12564
	Gambling Establishment (Accounting Regs)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(10), (11), stay 12566(b); 12566(c)(13), (14)
	Gambling Establishment – 11 CCR 2050 (Key on premises)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR ; or Revocation	12566(b)(12); stay 12566(b); 12566(c)(15)
	Gambling Establishment – 11 CCR 2052 (Failure to furnish information)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR ; or Revocation	12566(b)(13); stay 12566(b); 12566(c)(16)
	Gambling Establishment – 11 CCR 2070 (unsuitable gaming activities)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR ; or Revocation	12566(b)(14); stay 12566(b); 12566(c)(17)
Violation of Act, Regulations or Ordinances,				

or mandatory duties not listed				
	TPPPPS - Owner	1 day, stay	1 day	12560(a)
	Gambling Business - Owner	1 day, stay	1 day	12562(a)
	Gambling Establishment	1 day, stayed on monetary penalty	1 day	12566(a)
Violation of Conditions				
	Work Permittee	3 days	Revocation	12558(c)
	TPPPPS - Owner	5 days	Revocation	12560(b)(1)
	TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(1)
	Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(1)
	Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(1)
	Gambling Establishment	5 days	Revocation	12566(c)(1)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 days	Revocation	12568(a)(1)
Conduct inimical				
	TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(4)
	Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(4)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day	Revocation	12568(a)(6)
	Gambling License – Owner Licensee (not taking reasonable steps to prevent crimes)	5 days	Revocation	12568(b)(8)